

CONFIDENTIAL MEMORANDUM FROM SENATOR WILLY FOR GENERAL KIRSHHOWER

THE PROBLEM:

The new Administration will be faced with an immediate decision of grave historic consequence on the St. Lawrence Seaway.

The problem is this: Should we

- (a) be content to let Canada build the Seaway wholly on Canadian territory and control it forever after; or
- (b) should we take steps now to insure the construction of part of the Seaway at the International Rapids Section in Northern New York on U.S. soil so that we shall have equal control over this increasingly important navigation channel.

OPINION REVIEW:

Canada has offered to build the whole seaway for a cost of approximately \$300 million, provided that the Federal Power Commission grant a license to the State of New York to complete the power dams between Cornwall, Ontario and Massena, New York.

The International Joint Commission has approved the construction of this power project by Ontario and New York. Application by the State of New York is now pending before the Federal Power Commission.

Provided that this license is granted to New York, the issue still remains whether the United States government should insist upon part of the canal, at the International Rapids Section, being placed on U.S. soil. If so, legislative steps must be taken to authorize the construction of that section of the canal.

BASIC RECOMMENDATION:

I respectfully suggest that the interests of the United States require that we should become part owner and secure equal control over this canal system by constructing the International section on American soil.